

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7210**

**BILL NUMBER:** SB 358

**NOTE PREPARED:** Jan 6, 2013

**BILL AMENDED:**

**SUBJECT:** Regulation of Sewage Backflow.

**FIRST AUTHOR:** Sen. Delph

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill requires the Environmental Rules Board to adopt rules establishing procedures for the keeping of testing and maintenance records concerning backflow prevention devices in customer water systems.

The bill requires continuing professional education for Indiana registered cross-connection control device inspectors. It establishes the Cross-Connection Control Device Inspector Continuing Education Fund. It also provides that the Board may establish registration fees for registered cross-connection control device inspectors in an amount that is reasonably necessary to generate revenue sufficient to offset costs incurred in administering the continuing education program.

The bill requires the Environmental Rules Board to prescribe a standardized electronic backflow test report form. It requires a backflow inspector to submit a report to the water utility in the electronic form prescribed by the Board.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:** *Environmental Rules Board:* This bill requires the Environmental Rules Board to adopt rules and prescribe a standardized electronic backflow test report form. The Environmental Rules Board should be able to fulfill the requirements of the bill within the course of regular scheduled business meetings.

*Cross-Connection Control Inspector Continuing Education Program:* This provision could cost the Indiana

Department of Environmental Management (IDEM) approximately \$145,000 per year to implement and maintain a continuing education program with two hours of continuing education per registered inspector every two years. Costs would be offset by fees (see *Explanation of State Revenues* below). The main cost to IDEM would be the auditing of registered inspectors for compliance. New rules would be required to implement the continuing education program. However, the new rules could likely be implemented within the course of a regular meeting of the Environmental Rules Board.

**Explanation of State Revenues:** *Registration Fees:* The bill provides that registration fees may not be set higher than the level sufficient to cover the cost of IDEM to administer the program. The fee would not exceed \$50 per person who is not included on the cross-connection inspectors list during the six months preceding the person's registration, and would not exceed \$30 for a person included on the list during the six months preceding the person's registration. Assuming all current registered inspectors paid a renewal fee of \$30, the revenue for renewals from existing inspectors would be approximately \$120,000. However, the total revenue amount would depend on the number of registrations and the fee level set by IDEM. This estimate does not incorporate potential fee revenue from new inspectors.

Registration fees would be deposited into the Cross-Connection Control Device Inspector Continuing Education Fund established by the bill. Money in the fund may be used to administer the continuing education program, provide registration cards to inspectors, and maintain and update an inspector data base.

**Background Information** - There are approximately 4,000 active registered cross-connection inspectors.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** IDEM; Environmental Rules Board.

**Local Agencies Affected:**

**Information Sources:** Brad Baughn, Indiana Department of Environmental Management 317-234-3386.

**Fiscal Analyst:** Jessica Harmon, 317-232-9854.